

Maine Revised Statutes
Title 24-A: MAINE INSURANCE CODE
Chapter 54-A: MAINE GUARANTEED
ACCESS REINSURANCE ASSOCIATION ACT

§3958. REINSURANCE; PREMIUM RATES

1. Reinsurance amount. A member insurer offering an individual health plan must be reinsured by the association to the level of coverage provided in this subsection and is liable to the association for the reinsurance premium rate established in accordance with subsection 2.

A. Beginning July 1, 2012, the association shall reimburse a member insurer for claims incurred with respect to a person designated for reinsurance by the member insurer pursuant to section 3959 or 3961 after the insurer has incurred an initial level of claims for that person of \$7,500 for covered benefits in a calendar year. In addition, the insurer is responsible for 10% of the next \$25,000 of claims paid during a calendar year. The amount of reimbursement is 90% of the amount incurred between \$7,500 and \$32,500 and 100% of the amount incurred in excess of \$32,500 for claims incurred in that calendar year with respect to that person. For calendar year 2012, only claims incurred on or after July 1st are considered in determining the member insurer's reimbursement. The association may annually adjust the initial level of claims and the maximum limit to be retained by the insurer to reflect increases in costs and utilization within the standard market for individual health plans within the State. The adjustments may not be less than the annual change in the Consumer Price Index for medical care services unless the superintendent approves a lower adjustment factor as requested by the association. [2011, c. 621, §4 (AMD) .]

B. An insurer shall apply all managed care, utilization review, case management, preferred provider arrangements, claims processing and other methods of operation without regard to whether claims paid for coverage are reinsured under this subsection. [2011, c. 90, Pt. B, §8 (NEW) .]

[2011, c. 621, §4 (AMD) .]

2. Premium rates. The association, as part of the plan of operation under section 3953, subsection 3, shall establish a methodology for determining premium rates to be charged member insurers to reinsure persons eligible for coverage under this chapter. The methodology must include a system for classification of persons eligible for coverage that reflects the types of case characteristics used by insurers for individual health plans pursuant to section 2736-C, together with any additional rating factors the association determines to be appropriate. The methodology must provide for the development of base reinsurance premium rates, subject to approval of the superintendent, set at levels that, together with other funds available to the association, will be sufficient to meet the anticipated costs of the association. The association shall periodically review the methodology established under this subsection and may make changes to the methodology as needed with the approval of the superintendent. The association may consider adjustments to the premium rates charged for reinsurance to reflect the use of effective cost containment and managed care arrangements by an insurer.

[2011, c. 621, §5 (AMD) .]

SECTION HISTORY

2011, c. 90, Pt. B, §8 (NEW). 2011, c. 621, §§4, 5 (AMD).

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